



U.S. DEPARTMENT OF ENERGY
Office of Electricity Delivery and
Energy Reliability

ENERGY ASSURANCE DAILY

Monday, January 30, 2006

Electricity

Aquila's 315 MW Plant Ordered to Cease Operation and Dismantle in Missouri

A Cass County judge has given Aquila Inc. until May 31 to begin tearing down the 315 MW South Harper power plant that went up last June without county approval. The judge also ordered Aquila to immediately stop operating the plant, which is located near Peculiar, Missouri. The judge has allowed Aquila four months to ask the Missouri Public Service Commission to intervene and save the plant.

http://www.corporate-ir.net/ireye/ir_site.zhtml?ticker=ila&script=419&layout=0&item_id=809703.

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=6281859.

<http://newstribune.com/articles/2006/01/28/business/0128060042.txt>.

Update: AmerGen's 630 MW Oyster Creek Nuclear Plant Will Shut to Fix Pumps

AmerGen intends to shut down the 630 MW Oyster Creek nuclear power plant in New Jersey as soon as weather permits so they can investigate two broken pumps used to cool its reactor. One of the five large pumps, which circulate cool water through the reactor, shut down just before 9 a.m. on Jan. 25; the other shut down last summer. The malfunction is believed to be caused by a short in power to pump ground cables.

<http://www.newsday.com/news/local/wire/newjersey/ny-bc-nj-oystercreek0128jan28.0.2272108.story?coll=ny-region-apnewjersey>.

Progress Energy to Break Ground for 530 MW Gas-fired Unit in Florida

Progress Energy will hold an official groundbreaking for its 530 MW combined-cycle gas-fired generating unit at the Hines Energy Complex in Florida on Feb. 2. Construction began in December 2005 and the unit is scheduled for commercial operation in December 2007.

<http://powermarketers.net/contentinc.net/newsreader.asp?ppa=8knpp%5E%5BfmrnmnoUUmi%7D38%7Dbfel%5Dv>

TXU's 570 MW Coal-fired Big Brown Unit 1 in Texas Offline Jan. 29

A malfunctioning seal on the boiler feed pump of TXU Corp.'s 570 MW unit 1 at the 1,130 MW Big Brown coal-fired power station in Freestone County, Texas, caused the unit to trip off line on Jan. 29. The unit is expected to restart on Feb. 1.

Reuters, 10:29 January 30, 2006.

Petroleum

Marathon's Restart of 245,000 b/d Garyville Refinery Unsuccessful

According to trade sources, Marathon's attempt to restart the 245,000 b/d Garyville refinery was unsuccessful. The refinery had been undergoing planned maintenance on several units. Although Marathon declined to comment, trade sources estimated that the refinery might not be back in service for between ten and fourteen days.

Reuters, 10:46 January 30, 2006.

OPIS, 12:36 January 30, 2006.

BP Cuts Runs at 420,000 b/d Whiting Refinery by 10-15 Percent

BP has cut runs at its 420,000 b/d Whiting, Indiana refinery by 10 to 15 percent due to poor margins. Gasoline values in the U.S. Midwest plummeted earlier this month as inventories swelled, cutting profits for refineries. Traders said plants which run low-sulfur sweet crudes, which are more expensive than higher sulfur grades, were especially hard hit.

Reuters, 10:23 January 30, 2006.

Shell Cuts Runs for 1 Month at 75,000 b/d Catalytic Cracker in Deer Park Texas

Shell Oil has cut runs at the cat cracker at its 340,000 b/d refinery in Deer Park, Texas, to perform unplanned maintenance. The 75,000 b/d unit is running at reduced rates between Jan. 20 and Feb. 20 but Shell says it will continue to supply customers with their product requirements.

Reuters, 13:07 January 30, 2006.

Mesa Pipeline May Shut in July; If So, Alon's Amdel Pipeline to Start Operation

Plains Pipeline's Mesa crude pipeline, which supplies Alon's 70,000 b/d refinery in Big Springs, Texas, with 90 percent of its crude, may shut in July this year. Plains and another part owner of the Mesa line support shutting the line, while a third owner wants to keep the pipeline open. In preparation, Alon plans to restart its own idled Amdel Pipeline System by June 1 and buy crude from local production fields.

Reuters, 09:51 January 30, 2006.

Update: Militants Release Shell Hostages in Nigeria, Warn Foreign Oil Workers to Leave, Aim to Knock Out 750,000 b/d

The Movement for the Emancipation of the People of the Niger Delta released four foreign oil workers Jan. 30, ending a 19-day hostage crisis. The hostages were abducted from Shell's offshore EA oil field in the southern Niger Delta on Jan. 11, one of a series of attacks on the oil industry in the world's eighth-largest exporter. The kidnappers demand that Nigerian government free two detained leaders of group was not met. The Group also warned of more attacks: "We will shortly carry out greatly significant attacks aimed at ensuring our February target of a 30 percent reduction in Nigeria's export capacity," the group said in the statement, warning all expatriates working in Nigeria's oil industry to leave. Thirty percent of Nigeria's daily export capacity is equal to about 750,000 b/d.

<http://www.alertnet.org/thenews/newsdesk/IRIN/c7bcba5b03348b9ecf536025afa617fd.htm>.

<http://www.iht.com/articles/2006/01/30/news/nigeria.php>.

Armed Men Storm Daewoo Nigeria Headquarters

Around 20 armed men stormed the headquarters of a South Korean oil services company in the troubled Niger Delta and stole more than \$300,000 on Jan. 28. The group arrived by speed boat and forced their way into the compound of Daewoo Nigeria Limited before escaping with some 40 million naira (\$307,000) into the delta's maze of tidal creeks. There were no casualties and it has not yet been established if the attacks are related to the Movement of Emancipation of the Niger Delta.

<http://www.alertnet.org/thenews/newsdesk/L29379963.htm>.

Update: Shell's EA Field in Nigeria Ramping Up Production, Force Majeure Still in Place

Royal Dutch Shell has said that force majeure is still in place on oil exports from its Forcados and EA fields in Nigeria following attacks by militants in mid-January. Production is ramping up at the 115,000 b/d EA field after repairs to a technical fault, but officials didn't speculate on when the force majeure would be lifted. Shell has no immediate plans to resume repairs to its 106,000 b/d the Forcados pipeline which militants blew up on Jan. 11.

Reuters, 06:18 January 30, 2006.

Reuters, 02:40 January 30, 2006.

OPEC Agrees to Keep Pumping at Record Levels

OPEC oil ministers gave unanimous support to keeping output near a 25-year high on Jan. 30 as worries over supplies from Iran, Nigeria and energy powerhouse Russia outweighed forecasts for lower demand in spring. OPEC has been producing close to 30 million barrels per day for months but oil prices remain at their highest level in real terms for a quarter of a century.

Reuters, 14:05 January 30, 2006.

Iraq Aims to Increase Crude Exports by 300,000 b/d in Six Weeks

Iraq aims to boost crude oil exports by around 300,000 b/d to 1.5 million b/d within six weeks, Iraq's Deputy Prime Minister Ahmad Chalabi said on Jan. 28. He said improvements in water injection in southern oil wells and the resolution of some technical problems should increase exports from the main southern oil terminal near Basra. He said he also hoped exports would restart soon through the pipeline from the Kirkuk oilfields in the north to Turkey after two attacks on Jan. 25. Iraq's oil exports fell from their post-war peak of 1.8 million bpd in early 2005 to their post-war low of 1.1 million bpd in December.

Reuters, 16:04 January 28, 2006.

Natural Gas

BP's Grand Chenier Gas Plant Won't Return after Hurricane Damage

BP's 650 MMcf/d Grand Chenier gas processing facility near Cameron, Louisiana will not return to service following damage from hurricanes Rita and Katrina, according to Tennessee Gas Pipeline Co. In late September, the plant experienced severe flooding and damage to the facility. Until a permanent solution is achieved, Tennessee is allowing producers/shippers to deliver gas and liquids to the Targa Seahawk Pipeline System for processing at the Lowry gas processing plant.

Reuters, 12:41 January 30, 2006.

Atlantic Sea Island Group Proposes New 2 Bcf/d LNG Terminal Near Long Island

The Safe Harbor Energy LNG terminal will include a man-made island off the south shore of Long Island in the Atlantic Ocean. The facility would have four 180,000 cubic meter tanks for LNG and two berths for LNG tankers with capacities ranging from 80,000 to 250,000 cubic meters.

National Gas Intelligence, January 27, 2006.

<http://www.nydailynews.com/boroughs/story/386577p-328031c.html>.

Equitable Resources Plans 70,000 dekatherm per day Kentucky Pipeline

Equitable Resources Inc. is planning construction of the 60-mile, 20-inch Big Sandy Pipeline in Eastern Kentucky to increase takeaway capacity for growing Appalachian production. The pipeline, which is scheduled for operation in 2007, will connect the Kentucky Hydrocarbon processing plant in Langley, Kentucky with the Tennessee Gas Pipeline interconnect in Carter.

National Gas Intelligence, January 27, 2006.

<http://www.prnewswire.com/cgi-bin/stories.pl?ACCT=104&STORY=/www/story/01-26-2006/0004268148&EDATE=>.

Other News

Nothing to report.

Energy Prices

U.S. Oil and Gas Prices January 30, 2006			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S.	68.35	68.06	47.15
\$/Barrel			
NATURAL GAS			
Henry Hub	8.35	8.29	6.23
\$/Million Btu			

Source: Reuters

Energy Notes

Massachusetts State Officials File Petition in Federal Court Seeking Review of FERC Approval of Weaver's Cove LNG Terminal

National Gas Intelligence, January 27, 2006.

Construction Begins on 90 MW Coal-fired WyGen II Power Plant in Wyoming

<http://www.casperstartribune.net/articles/2006/01/28/news/wyoming/16bf57bd66891590872571030060516b.txt>.

Construction Begins on New Bitumen Pipeline Lateral in Alberta

Reuters, 12:33 January 30, 2006

IEA Says it Could Release Strategic Reserves if Iranian Oil Supplies Cut

<http://www.platts.com/Oil/News/7229861.xml?S=n>.

OPEC Sees No Need to Adopt Emergency Production Measures over Iran Crisis

http://news.yahoo.com/s/afp/20060128/bs_afp/opecenergyoiliran_060128205050.

Saudi Arabia Sees No Need for OPEC to Cut Production at All This Year

<http://www.platts.com/Oil/News/9510015.xml?S=n>.

Ten Day Political Crisis in Kuwait Ends with Proclamation of New Emir

Energy Compass, January 27, 2006.

Update: Kuwaiti Oil Minister Stops Short of Denying Petroleum Intelligence Weekly's Report that Reserves are Half the Officially Stated Size

Reuters, 07:18 January 29, 2006.

Nigeria's President Obasanjo Says Oil Industry Not in Crisis after Recent Violence

http://english.people.com.cn/200601/27/eng20060127_238754.html.

PIW Reports Russian Energy Sector Re-nationalization, Sees 60 Percent of Crude in Kremlin's Hands by Year End, Up from 15 Percent a Few Years Back

Petroleum Intelligence Weekly, January 30, 2006.

Report Warns New York City Must Add 6,000 to 7,000 MW by 2025 to Avert Energy Crisis

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=6284107.

NGW Reports Venice, Louisiana Port Has Long Road before Return from Katrina

Natural Gas Week, January 30, 2006.

Florida Public Service Commission Recommends Requiring Power Pole Inspection Every Ten Years

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=6281621.

Energy Compass Sees Problems for Diesel Fuel Users after Sulfur Standard Change

Energy Compass, January 27, 2006.

Links

This Week in Petroleum from the Energy Information Administration (EIA)

<http://tonto.eia.doe.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

Weekly Petroleum Status Report from EIA

http://www.eia.doe.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html

Updated after 1:00 PM EST every Wednesday.

Natural Gas Weekly Update from EIA

<http://tonto.eia.doe.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM EST every Thursday.

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<http://www.oenetl.doe.gov/ead.aspx>